

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4432-01  
Bill No.: HB 1845  
Subject: Education, Elementary and Secondary  
Type: Original  
Date: March 15, 2002

---

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>School Districts*</b>	<b>(\$50,000 to Unknown)</b>	<b>(\$50,000 to Unknown)</b>	<b>(\$50,000 to Unknown)</b>

**\*Could exceed \$100,000**

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

---

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Elementary and Secondary Education (DESE)** indicate there would be no fiscal impact from this proposed legislation to their agency. In estimating costs to school districts, DESE stated that this proposal appears to place termination hearing duties in the hands of a hearing officer (rather than the local school board) who shall not be a resident of the school district. The school district is required to pay the per diem of the hearing officer, not to exceed \$400, and the expenses of the hearing officer. DESE further assumes that transcript costs are not new costs to the district. DESE assume 50-100 hearings per year for two days each at \$400 per day and expenses of \$100 per day for a total annual cost of between \$50,000 and \$100,000.

Officials from the **Kansas City Missouri School District (KCMSD)** stated that requiring a notification of at least 120 days, instead of the existing 30-day notice, would create additional financial burden for KCMSD. If a teacher is placed on paid leave over this extended time, it would be an additional cost. The teacher would need to be replaced in the classroom for the remainder of the school year. In addition, KCMSD would be responsible for paying a hearing officer. If the officer determines that the teacher should not be terminated and the teacher cannot be put back into a classroom, KCMSD would have to continue to pay for an unbudgeted position.

**Oversight** assumes that the school board or superintendent of schools will give a written warning 120 days before service of notice of charges in order that the parties involved may resolve the matter. The proposed legislation does not state that the teacher would be required to be placed on paid leave during that time. Oversight further assumes that the as a result of the proposal new costs to a school district could include the hearing officer costs and the costs of benefits required to be paid to the teacher if the teacher is suspended during the hearing process.

Officials from the **St Louis Public Schools** indicated there would be no fiscal impact on their district.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the State Board of Education could require as many as 10 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$615 for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations

ASSUMPTION (continued)

related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of State Courts Administrator** stated there would be no fiscal impact on the courts resulting from this proposed legislation.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005

**SCHOOL DISTRICTS**

<u>Cost - Per Diem and Expenses for Hearing Officers and Benefits to Teacher During Suspension</u>	<u>(\$50,000 to Unknown)</u>	<u>(\$50,000 to Unknown)</u>	<u>(\$50,000 to Unknown)</u>
--	----------------------------------	----------------------------------	----------------------------------

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Current law authorizes local school boards to dismiss tenured teachers for certain causes and after following certain administrative procedures. This proposed legislation allows teachers to request an administrative hearing at which a hearing officer will decide whether or not the teacher will be dismissed.

The proposal requires school boards or superintendents to notify teachers at least 120 days before formal notice is served, instead of 30 days' notice under current law. If a school boards suspends a teacher until a decision is rendered, the teacher is entitled to receive salary and benefits during the suspension. Currently, teachers are only guaranteed salary.

Currently, either the teacher or the local school board may request a hearing; the proposed legislation permits only the teacher to request a hearing. When a teacher requests a hearing, the superintendent must notify the State Board of Education, which will provide a list of five

DESCRIPTION (continued)

accredited, impartial hearing officers within five days. The individual who remains after the teacher and local board alternately strike off names will serve as the hearing officer and be compensated by the school district.

The hearing must be held between 30 and 45 days after the hearing officer is selected unless another schedule is mutually agreed upon. The state board must promulgate procedural rules for hearings including, at a minimum, discovery of witnesses, written interrogatories, and production of relevant documents. The proposal specifies that a hearing will be open to the public unless the teacher requests that it be closed.

Within 30 days after the hearing, the hearing officer must decide if the teacher should be dismissed, disciplined, or, in certain cases, continue conferring with the superintendent to resolve the matter. The hearing officer's decision is final unless appealed.

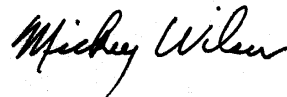
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of Secretary of State  
Administrative Rules Division  
Kansas City Missouri School District  
St Louis Public Schools

#### **Not Responding**

Nixa R-II School District  
Moberly School District



Mickey Wilson, CPA  
Acting Director  
March 15, 2002